

NAVAL WAR COLLEGE

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It is really great to be back at college. It is great to be back at Spruance Auditorium. I can see that my successor, several times removed, has been able to achieve something I could never do and that is to keep these two clocks in synchronization. There were those who said if we kept one clock ahead and one clock behind so that we hoped that if the lecturer was bad he looked at the clock that was ahead, and if he was good he looked at the one that was behind.

So, I probably should not be here today with all that is going on in Washington. But I want to say to all of you who are taking or will take the strategy and policy course here, that I am here because some many months ago Phil asked me to come and I am here out of respect and gratitude to Phil Crowl. Seven years ago, at my request, he abandoned the University of Nebraska for one trimester and came and initiated this strategy course, led it through its first teaching and then, much to all of our pleasure, came back a year later as the head of the department on a permanent basis. I can say to you that I believe very sincerely, particularly from looking at defense in Washington and around the world today, that if there is one thing this country needs it is a better concept of strategy. The course that you are taking under Phil's direction, or will take, is in my opinion the most useful, the most challenging, the most relevant course taught in any War College in this country today. You owe a lot of thanks to Phil Crowl for that.

I shouldn't be here perhaps because for the past 36 days the foreign policy apparatus of our country has been absorbed, consumed on

one topic to a degree that I have never, in 33 and half years, seen it so consumed before. Five minutes ago in Washington, as happens every working morning, there is a meeting starting in the White House with the Vice President, Secretary of State, Secretary of Defense, Chairman of the Joint Chiefs, Secretary of Treasury, Secretary of Energy, Attorney General, and the Director of Central Intelligence. Every day all of these top people find it necessary to get together for several hours. On top of that, there probably are submeetings of groups of that type several times elsewhere throughout the day. The problem of finding a policy in this difficult situation, a policy that will meet our two objectives--obtaining the release of the hostages safely and perserving the honor, the dignity of our country in some modicum of reason and rationality and order in international intercourse--is very, very frustrating and challenging. While you appreciate that actions which might admonish, punish the reprobate Iranians on the one hand in order to preserve international order could well jeopardize the safety, the lives of our hostages.

It is a time consuming thing and it is very interesting for me to see the relevance of our intelligence process, our intelligence organizations in this. The way we are playing our role is indicative of how intelligence does contribute to the policy process in any country. Of course we are involved first of all because the policymakers need the facts that we can adduce. But even more importantly than that perhaps, they need the intelligence participation in this policy process because we are the one organization at that table--that I just described--which is not entitled to formulate policy. The distinction between policy-making and intelligence is the fundamental tenant of the intelligence

business. We are supposed to be the objective SOB's sitting at that table. Now sometimes it is difficult to restrain ourselves because we get so enmeshed in this that we, too, think we know what are the policy solutions. But, in point of fact, it is critical that we be and we be seen as objective.

For instance, if the Chairman of the Joint Chiefs of Staff opposes this morning some punitive action to teach the Iranians a lesson, it is our role to scrutinize that and ask, not can you do it, but what impact will it have. What impact will it have on the Iranians' psyche, on their national resolve, on their public opinion? What impact will it have on their oil producing neighbors? What impact would the actual damage that might be inflicted have on the future of the Iranian economy or political structure?

Or if the Secretary of the Treasury proposes, as he did, that we freeze Iranian assets in this country and in the U.S. banks around the world. It is our job to look at that objectively and say, how many assets do they have that would not be frozen and how many dollars or riales do they need per day in order to carry on their life and their purposes. Will the action the Secretary proposes in fact be effective even in blocking that portion which is under U.S. control? You need somebody who looks objectively at these issues which are espoused, are championed by one or the other of the policymakers at the basic policy table.

To be able to provide this kind of support, we in the intelligence world must be able to anticipate what these policymakers are going to

ask us next. We cannot go out and perform the two functions of intelligence--collecting information and analyzing it, digesting it, evaluating it, turning it into some kind of an opinion--overnight. We must have plowed that ground well in advance. To do that, we need good coordination with the policymakers. We need to sit in on those councils, to listen and anticipate and hear what they are going to be thinking and doing and proposing next, so that we can be ready when that comes.

Now, at the same time, the closer the coordination between intelligence and policy formulation the more we hope the intelligence analysis will, in fact, influence the policy, will make the policymakers decide, no, Mr. Chairman, you won't accomplish what you think by that means. Or, yes, Mr. Secretary, by blocking you will accomplish what you want. And of course the more there is this coincidence, the more people then begin to say, ah hah, the intelligence is contaminated, it is there to support the policymaker.

For instance, in the spring of 1977 I published an unclassified study on the world energy prospects for the future. It said that sometime in the early 1980s the world, as a whole, was going to want to take out of the ground more oil than it would be able to. And of course, it came on the heels of the President's report to the Congress demanding proposing a new energy program for the United States. People said, you see, the intelligence is being made subservient to the political process. Of course, I hope it is the other way around, that good analysis of what the energy situation and prospects were was a major influence in the President's formulation of his energy program.

Now there is one exception to this principle I am enunciating to

you and that is what we call covert action. Covert action is not really an intelligence function, but through the life of the Central Intelligence Agency it has been an assigned function of the CIA; whenever this country is going to undertake covert action that it be done by the CIA. Now covert action by definition is the influencing of the events in a foreign country without the source of that influence being recognizable. Now obviously if you are trying to influence events, you are part of the policy process because when the United States undertakes covert action, it must be part of an overall strategy, an overall policy toward whatever country is concerned. So here we do have an exception, a fuzzy borderline between the purity of the intelligence officer as a non-participant in the policy realm, and being a member of the policy team in proposing and carrying out a covert action program. We have to watch that very carefully and we are very scrupulous in trying to be sure that when we put on the policy hat it is only because we are in the covert action territory.

Let me look for a minute though at how the events in Iran in the last 5 weeks have affected the intelligence process and use that perhaps as an example to you of some of the problems, some of the techniques, some of the opportunities for the policymaker of good intelligence. The most obvious impact, of course, of what is going on in Iran since the 4th of November has been that Iran has become a hostile environment for Americans. We no longer have an embassy, we no longer have the normal means of communication in and out of the country. This, for intelligence, has its major impact on how we collect the information through human reports.

There are three forms of intelligence collection --human, signals intelligence, and photo intelligence. But the one most effective by this conversion of Iran to a hostile environment is that of human reporting. Now human reporting is not all covert and spying activity, it is the reporting of embassy personnel, Defense attaches, American businessmen, visitors to Iran or other countries for instance, but it also is the use of agents in foreign territory. Now in our terminology the agent, the spy, is a foreign person who gets the information we request and transmits it to us. Usually from the Central Intelligence Agency the other person is the case officer, the American who provides the questions, receives the responses, and transmits them back to Headquarters. Obviously with an environment so hostile to American presence, there are great difficulties today in keeping the human intelligence agent networks operating in a country like this.

There are ways around it. It requires what we call good tradecraft or professionalism. It is a real challenge to be able to get the tasking to the agent, to extract back from him the responses, and to do both in a way that will not reveal that contact so as to jeopardize the well-being, perhaps the life, of the agent in the process. It is not easy. It can be done and, in my view, in the future we are going to have to be able to operate in such difficult circumstances more and more. It is going to task the professionalism, the tradecraft of the intelligence professional more and more.

The other two sources of collecting information you are well familiar with--signals intelligence, photo intelligence. Because they are today so reliant on overhead satellite systems, there is less

interference. Because we have a hostile environment in Iran today, those functions do continue more than they did before--I mean, as well almost as they did before. Of course you recognize in Iran we had signals intelligence listening posts directed against the Soviet Union and those are out of business today.

Let me take a minute to point out how these three different techniques of intelligence collection interplay with each other and how we try to orchestrate and utilize them. Photo intelligence, of course, tells you something about what conditions were sometime in the past when that picture was taken. Now you can draw inferences from that as to what is going to happen tomorrow--a half completed silo is going to be completed very likely. But mainly it tells you what was there, how many, where, what size, and it leaves it to you to hypothesize what may happen next.

Signals intelligence, on the other hand, tells you what you heard sometime in the past or right now. If it is a radar, it tells you what its frequency was, when it was on the air, what its pulse repetition rate was, and so on. It does not tell you that it will be on the air tomorrow at the same frequency, the same pulse repetition rate, but it gives you a good way of inferring that that may be the case. If you happen, through signals intelligence, to intercept a communication between two ships at sea, perhaps one says to the other, tomorrow we are going to do so-and-so, and you gain some useful information about intentions and plans for the future. But it is somewhat fortuitous if you do so, if you happen to be in on the right conversation at the right time.

Let me digress for a minute to say how superb the technical systems of this country are today. They are approaching, in my view, almost wizardry in what they can do; in the tiny clues that they can pick up and in how the analysts, in using these small clues, can piece them together into something meaningful, something useful to the policymaker. But these technical systems are directed primarily at military intelligence with some important spinoff to economic intelligence, like predicting the Soviet grain harvest through technical intercepts and pictures and so on.

But when it comes to political reporting and when it comes to predicting trends and intentions and plans of people and nations, we turn a great deal to human intelligence. Because here you take your collecting source and you focus it, you direct it specifically on your objective, on the question that you want answered. You ask your agent not to infer what they are planning to do tomorrow, but to go right in to the source and find the documents or hear the conversations and determine it as accurately as possible.

The events in Iran of the past year and a half have indicated that we are facing new challenges in how we do this human intelligence targeting and reporting. If we look back to Iran just a year ago as the Shah was about to fall from his throne, we recognize that there are new difficulties in this world today in predicting events like that. And I am sure you recognize how we were criticized in the press in the wake of the fall of the Shah for not having predicted the activities that brought about his fall. And of course we took that criticism seriously, we looked at ourselves and we said, could we have and should we have

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done better, was the criticism justified. As we looked at it we said, well, through 1978 we were predicting, we were telling people that there were a lot of problems in Iran. There were people who were disaffected for economic reasons. There were people who were upset with the regime for religious reasons. There were people who were disturbed because they were not a part of the political process in a country where there was such growth, so much more opportunity for participation. And so we were telling the policymakers there are problems, serious problems in Iran.

What we did not tell, what we did not forecast was that an obscure Ayatollah, 16 years an expatriate, 79 years of age, would become a catalyst that would bring together all of these small volcanoes of dissent into a grand eruption. And what we also did not predict was that when push came to shove the Shah, with great military and police powers under his control, would either wait too long or back off from the bloodshed that would have been necessary to suppress this cumulation of dissent. Now maybe we were wrong, but let me point out that in that circumstance human intelligence reporting has real limitations. There were no plans to be stolen or photographs of what they were going to do to bring about this revolution. This was, in our opinion, a true revolution, perhaps the only one of this century. A true revolution which was brought about by societal change, not planned change. Not plans that could be intercepted. Not plans that were organized until the maybe the last minute at least by some group that could be penetrated and from whom we could gain guidance as to what was going to happen next.

Interestingly, just last week, there was a symposium in Washington at Georgetown University on this question of how much one can and should deal with the opposition in a friendly country in order to detect these undercurrents, these potential volcanoes of disturbance. And I would like to read you two parts of that symposium. One is a comment made by a former Director of Central Intelligence, a former Ambassador to Iran, Richard Helms:

"Certainly it would have been useful to have advance knowledge, but the participants in the uprising did not themselves have that foreknowledge. It is thus questionable whether more contact with religious and bizarre elements would have provided something of an apology."

Another participant, Steven Rosenfeld of the Washington Post, responded:

"How would better contacts not have helped? Had we been aware earlier of the Shah's fading popularity and of the growing popular resistance to his rule and of the possibility of his being toppled, then at least we would have had a timelier chance to ask the root policy question whether we wanted to part in our support to the Shah or to lean harder on him to disengage or whatever."

These are two different views. I think the true answer lies somewhere in between. Yes, we must use all of our capabilities in looking at the man on the street, the religious people, the dissenting people of one sort and another, in order to strive to anticipate and predict trends and intentions and plans that may develop. But I would still say, as Helms implies, that no matter how astute we are, no matter how many tap roots we put out into the society there will, with a decade ahead of the views, be the coups, upheavals, mecca type disorders, unexpected electoral reverses that we in intelligence will not predict. And if the overturning of the Shah in Iran in 1978-79 was a surprise,

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there will be more surprises. But the issue, as Rosenfeld puts it, is

are we giving the policymakers well in advance indications of the underlying currents, the trends, so that if they will focus on it, they may take action enough in advance that they could have some impact.

I believe we are doing a reasonable job of that today but we can always, of course, improve. But it is tough. It is a tough challenge because today we are concerned with yesterday's trends, like the trends in Iran in '77 and '78 that led to the cataclysm in '79. But today's problem is the one that is getting all the attention in Washington, like the last 36 days. It is difficult for us to rivet people's attention and to get them to focus on the incipient trends today that are, in fact, going to be tomorrow's crises.

It is tough also for us to put enough effort into predicting trends in countries like Iran or Nicaragua or wherever because of the traditional preoccupation of United States' intelligence with the Soviet Union, and especially with the Soviet and Soviet Bloc military activities. Today, we are moving as a country into a much greater concern and involvement with the rest of the world, with the non-Communist world, and not only in the military sphere but in the political and economic. If I look back at the areas of crisis, tension or political preoccupation for which I have been required to provide support in my almost three years as Director of Central Intelligence, some of them were direct problems with the Soviet Union. SALT--can we verify new and growing Soviet military capabilities, larger numbers of ICBMs with greater accuracy, great expansion of the IRBMs, mobile forces of SS20s, and so on. But most of the problems that have preoccupied me have been others outside the Soviet immediate sphere of confrontation with the United States.

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I was hardly in office a week when somebody came to me and said, there is an invasion in Shaba. I said, where the hell is that? It turned out it is where two-thirds of the world's cobalt is mined in Southern Zaire. And again in 1978 there was another invasion of Shaba. You may recall the _____ intelligence became much embroiled in the public domain as we have heard that there have been Cuban support and instigation of this invasion _____. In 1978 there was the Ethiopian/Somalian war in _____ with Cuban participation on a very large scale. In 1978 there was the overthrow of the government in Afghanistan. In 1978-79 there was the Vietnamese invading of Kampuchea and the counter-Chinese invasion of Vietnam. In 1979, in August, we had the issue of the Soviet brigade in Cuba. Throughout all this period we have had a great preoccupation, a great concern with events in Southern Africa--Rhodesia, Namibia--and, of course, throughout the entire period a constant drumfire of attention on the Middle East. The instability in Sudan, the problems of Egypt and Israel as they marched toward the Camp David accords. The constant instability in Lebanon. The question of oil production/relations in Saudi Arabia and Iran.

Why? Why has there been this growing interest in such areas of the world, not to the exclusion of but certainly in competition with our intelligence interest and concern with the Soviet Union and its military structure. (tape turned) ...it is going to be important to us as we recognize that the world's communications and problems are just becoming much more intertwined with each other than ever before, perhaps because of the great increase in communications. But also, we are more interested in these more remote areas of the world, I believe, because of the increasing tendency of the Soviet Union to leapfrog into competition with us in the Third World.

As we look back, our crises with the Soviets in the late '40s, early '50s were in areas contiguous to the Soviet Union first in Iran, then in Greece, then Turkey, in Berlin, in Korea. In the '60s the Soviets did leap across the sea in Cuba. But in the '70s we saw them venturing to Angola, Ethiopia, in Vietnam, to Nicaragua. The key reason for this leap across their frontiers into new areas, I believe, was the changing Soviet military capabilities. Our competition with the Soviets, ever since the end of World War II, has been almost exclusively in the military sphere. Why? Simply because the Soviets do not have the capability to compete with us in the economic, the diplomatic, political spheres. So they chose to devote vast resources to their military and to compete with us there in every possible way.

I believe now that they have achieved two things as a result. First, they have a sense of being a world power with all that that entitles them to. Secondly, they now have, in their view, a capability to project military power outside their land perimeters and they did not have that before. That capability is based on four elements--their increasing airlift capability, their growing fleet and its ability to maintain stations in foreign areas distant from the Soviet Union, the availability of excess conventional armaments that can be dispatched to other countries immediately, and the availability to them of Cuban mercenaries as their surrogates.

Based on these four elements of power projection capabilities, I believe the Soviet today actively seek opportunities to leapfrog their influence abroad. They must find areas where there are problems or tensions which they can exploit. I do not think they are necessarily

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generating these but they are looking for them and when they exist they make a determination, is this an American sphere of influence. And if so, they move gingerly with some hesitancy as perhaps in Nicaragua this year. I believe there that the Soviet/Cuban impact on the Nicaraguan revolution was absolutely critical but it was played very definitely, very low-keyed. On the other hand, when it is not our sphere of influence, as in Ethiopia, they will go in blatantly with 16,000 Cuban surrogates. And they believe they can do that in such areas without impact on detente, without direct linkage to detente or SALT or such.

Interestingly, last August our intelligence discovery of the Soviet brigade in Cuba has raised a delicate issue of whether there is or there is not such linkage between Soviet activities in Third World countries and the basic core relationship with us. How much this leapfrog activity will and should impact on detente depends very much on how much it bothers us to see the Soviets gaining advantage over us in the Third World. Clearly however, our response today to such challenges is not the same as the traditional reflex response of the cold war period when if the Soviets were supporting country A against country B, we automatically felt we needed to support country B against country A.

For instance, look at some of the examples I have cited to you. When the Soviets supported the Vietnamese in invading Kampuchea, should we have taken that traditional response and supported Kampuchea against Vietnam? It is not in our interest, I believe, to see the entire Southeast Asia area come under Vietnamese and Soviet domination. But could we afford to support Pol Pot, perhaps the most outrageous political leader since Hitler? Or take the case of Somalia and Ethiopia. Should

we have supported Somalia in her defense, her activities against the Cuban/Soviet supported Ethiopians when, of course, the leader of Somalia is an avowed Marxist, a dictator, a Communist, and, in this case, the aggressor who had invaded his neighbors' territory in a continent where the change of frontiers is _____ to every nation.

These are difficult, much more difficult choices today than they were and much depends on what the _____ consequence of a country's succumbing to Communist influence. It used to be the belief that it was irreversible but we have had examples of Indonesia, of Egypt, of the Sudan, who have come under _____ Soviet and Communist influence and have yet returned stronger and free'r than before. In short, the criteria as to whether or not the United States should intervene in a foreign country where there are tensions and problems and difficulties and challenges from the Soviets today is different and evolving and one we must think out more carefully.

But back to my own _____. What does this shift of environment mean for intelligence and the contribution that we could make on policy formulation in our country? First it means a shift in priority. As I have said, traditionally there has been a very high percentage of our intelligence activities dedicated to the Soviet Union and to their military capabilities. Today, we simply must spread out in two directions. First, we must cover more topics. We must look at oil and oil reserves and production. We must look at food and population. We must look at international narcotics and terrorism. We must look at many, many more subjects particularly in the economic and political spheres. We must also, as I have been intimating, spread out geographically with much more attention to many other countries of the world.

This, indeed, stretches us thin today. It forces difficult decisions with priority because, of course, the Soviet military concern is no less today than ever before. In many ways it is growing. What that means is that we in the intelligence field have a responsibility to look ahead and that is not easy. It is not easy to reallocate resources in anticipation of 1980 costs, especially in view of the pressures on us of the urgencies of today as opposed to the uncertainties of tomorrow. When we are looking at oil today though, should we also be investing in research on lithium, cobalt, oxide, and other minerals that may be the achilles' heels of tomorrow?

Let us say that it is not only our responsibility in the intelligence world to do this kind of forecasting and anticipation and willingness to withdraw resources from immediate problems to invest in the future, but there is a great responsibility on the policymakers. They must first of all develop a coherent and well-enunciated national strategy for the long run, one which can guide us into preparing the necessary foundations for intelligence in order to support them. I would point out that each of you in this college is a future policymaker. That is why you are here and that is why you are studying strategy. The quality of American intelligence and its usefulness to policy formulation is really going to be determined by you, the future consumers of intelligence.

If when you deal with your intelligence organization when you are in a policy formulating role--be it Army, Navy, Air Force intelligence, DIA, NSA, CIA--if you tell it your concern, your interest for the future, if you encourage your organization to be independent, if you ask it the right questions and especially if you are skeptical when it gives

you answers that support your policy desires, and if you listen especially when it tells you what you do not want to hear, you will have good intelligence. On the other hand, if you keep your intelligence organization totally focused on the immediate crisis, if you never give it time to think about the future, if you suppress dissenting views and always seek a consensus intelligence so there are not problems of A says this and B says that, and if you get impatient with it when it appears not to be on your team, not to be working to support you, then you will get what you deserve, bad intelligence.

After World War II when this country was the preeminent economic and military power in the world, good intelligence was useful to this country but it probably was not critical. Today when we have strategic equivalence, today when we have so many smaller nations who have the willingness and the capability to challenge us and others, good intelligence is almost indispensable. Under such circumstances though, good intelligence can provide our policymakers leverage which they can acquire in no other way. It is imperative then today that you future policymakers understand this and understand what our intelligence capabilities and limitations are and the role that you will and must play in utilizing them in good policy formulation. Thank you.

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